

Naturomulch, LLC Restructuring Plan

Case No. 25-40909

Naturomulch, LLC has previously diagnosed the reasons for the financial hardship that are listed below:

1. Loss of large contracts such as City of Dallas and few other regular customers because they have been sold out. The overall business has reduced for the last couple of years causing less cash flow.
2. Business Insurance such as Commercial Auto, Commercial General Liability, Equipment Inland Marine, and Business Commercial Property have increased almost 3-4 times since last couple of years.
3. Property taxes have increased.

Considering the issues stated above Naturomulch, LLC has come up with the following restructuring plan:

1. Fortunately, we were fortunate to get rewarded with the City of Dallas bid once again for the next three years and with one or two annual renewals. This is going to increase the cash flow significantly. We should start getting purchase orders hopefully in the months of April or May 2025. From the date we receive a Purchase Order, it takes 3-4 weeks to complete the project then only we can invoice and it takes 30-45 days to get paid after we invoice.
2. The second piece of good news is that we also have been awarded a City of Fort Worth bid for the first time this year. This is another good cash flow. We already have received a purchase order to deliver the material at the end of this month.
3. We are making every effort to earn more business from small customers like Daycares, Montessori, Schools, ISD, Churches, Apartment Complexes, HOA, and individuals.

The estimated timeline to improve the cash flow might take another 4-5 months. In the meantime, we are trying to cut our expenses whatsoever we can save as much as possible cash in hand. At the end of the day, we are positive that we can survive with the current plan. Should we require to make more changes in the future we are open to make changes as needed.

Omprakash Goyal

CEO